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HOUSE BILL 2413

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State of Washington

65th Legislature

2018 Regular Session

By Representative Doglio

Prefiled 01/05/18.

1 AN ACT Relating to the voluntary option to purchase qualified  
2 alternative energy resources; and amending RCW 19.29A.090.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 19.29A.090 and 2014 c 129 s 1 are each amended to  
5 read as follows:

6 (1) Beginning January 1, 2002, each electric utility must provide  
7 to its retail electricity customers a voluntary option to purchase  
8 qualified alternative energy resources in accordance with this  
9 section.

10 (2) Each electric utility must ~~((include with its retail electric~~  
11 ~~customer's regular billing statements, at least quarterly,))~~ provide  
12 a voluntary option to purchase qualified alternative energy resources  
13 to each of its new retail electric customers at the time service is  
14 established. Each electric utility must provide the option to all of  
15 its existing retail electric customers through the utility's web site  
16 and through quarterly mailings as a bill insert or other publication.  
17 The option may allow customers to purchase qualified alternative  
18 energy resources at fixed or variable rates and for fixed or variable  
19 periods of time, including but not limited to monthly, quarterly, or  
20 annual purchase agreements, and for all or part of the customer's  
21 retail electric requirement.

1       (3) A utility that serves twenty-five thousand or fewer retail  
2 electric customers in the state of Washington may provide a retail  
3 electric customer with an unbundled qualified alternative energy  
4 resource ((options)) option for the nonpower attributes associated  
5 with electricity generation through either: (a) Resources it owns or  
6 contracts for; or (b) the purchase of credits issued by a  
7 clearinghouse or other system by which the utility may secure, for  
8 trade or other consideration, verifiable evidence that a second party  
9 has a qualified alternative energy resource and that the second party  
10 agrees to transfer such evidence exclusively to the benefit of the  
11 utility.

12       ~~((+3))~~ (4) A utility that serves more than twenty-five thousand  
13 retail electric customers in the state of Washington must offer the  
14 following qualified alternative energy resource options from which a  
15 retail electric customer may choose:

16       (a) An unbundled resource option, in which the utility provides  
17 the customer with the nonpower attributes associated with electricity  
18 generation through either: (i) Resources it owns or contracts for; or  
19 (ii) the purchase of credits issued by a clearinghouse or other  
20 system by which the utility may secure, for trade or other  
21 consideration, verifiable evidence that a second party has a  
22 qualified alternative energy resource and that the second party  
23 agrees to transfer such evidence exclusively to the benefit of the  
24 utility; and

25       (b) A bundled resource option, in which the utility provides the  
26 customer with both the delivered electricity from qualified  
27 alternative energy resources, owned or contracted for by the utility  
28 and located anywhere within the boundary of a state whose territories  
29 are partially included in the Pacific Northwest, and the nonpower  
30 attributes associated with the electricity generation.

31       (5) The nonpower attributes associated with electricity  
32 generation, including those verified in the form of renewable energy  
33 credits, that are provided for the purposes of this section may only  
34 be used once and must be retired by the electric utility on behalf of  
35 the customer in the year in which the nonpower attributes are used.  
36 The requirements of this section may be met for any given year with  
37 the nonpower attributes associated with electricity that is generated  
38 during that year, the preceding year, or the subsequent year.

39       (6) The definitions in this subsection apply throughout this  
40 section unless the context clearly requires otherwise.

1        (a) "Nonpower attributes" has the same meaning as defined in RCW  
2 19.285.030.

3        (b) "Pacific Northwest" has the same meaning as defined for the  
4 Bonneville power administration in section 3 of the Pacific Northwest  
5 electric power planning and conservation act (94 Stat. 2698; 16  
6 U.S.C. Sec. 839a).

7        (c) "Renewable energy credit" means a tradable certificate of  
8 proof of at least one megawatt-hour of a qualified alternative energy  
9 resource. The certificate includes all of the nonpower attributes  
10 associated with that one megawatt-hour of electricity and the  
11 certificate is verified by a renewable energy credit tracking system.

12        (7) For the purposes of this section, a "qualified alternative  
13 energy resource" means the electricity or thermal energy produced  
14 from generation facilities that are fueled by: (a) Wind; (b) solar  
15 energy; (c) geothermal energy; (d) landfill gas; (e) wave or tidal  
16 action; (f) gas produced during the treatment of wastewater; (g)  
17 qualified hydropower; or (h) biomass energy based on animal waste or  
18 solid or liquid organic fuels from wood, forest, or field residues,  
19 or dedicated energy crops that do not include wood pieces that have  
20 been treated with chemical preservatives such as creosote,  
21 pentachlorophenol, or copper-chrome-arsenic.

22        ~~((+4))~~ (8) For the purposes of this section, "qualified  
23 hydropower" means the energy produced either: (a) As a result of  
24 modernizations or upgrades made after June 1, 1998, to hydropower  
25 facilities operating on May 8, 2001, that have been demonstrated to  
26 reduce the mortality of anadromous fish; or (b) by run of the river  
27 or run of the canal hydropower facilities that are not responsible  
28 for obstructing the passage of anadromous fish.

29        ~~((+5))~~ (9) The rates, terms, conditions, and customer  
30 notification of each utility's option or options offered in  
31 accordance with this section must be approved by the governing body  
32 of the consumer-owned utility or by the commission for investor-owned  
33 utilities. All costs and benefits associated with any option offered  
34 by an electric utility under this section must be allocated to the  
35 customers who voluntarily choose that option and may not be shifted  
36 to any customers who have not chosen such option. Utilities may  
37 pursue known, lawful aggregated purchasing of qualified alternative  
38 energy resources with other utilities to the extent aggregated  
39 purchasing can reduce the unit cost of qualified alternative energy  
40 resources, and are encouraged to investigate opportunities to

1 aggregate the purchase of alternative energy resources by their  
2 customers. Aggregated purchases by investor-owned utilities must  
3 comply with any applicable rules or policies adopted by the  
4 commission related to least-cost planning or the acquisition of  
5 renewable resources.

6 ~~((+6))~~ (10) Each consumer-owned utility must maintain and make  
7 available upon request of the department and each investor-owned  
8 utility must maintain and make available upon request of the  
9 commission information describing the option or options it is  
10 offering its customers under the requirements of this section, the  
11 rate of customer participation, the amount of qualified alternative  
12 energy resources purchased by customers, the amount of utility  
13 investments in qualified alternative energy resources, and the  
14 results of pursuing aggregated purchasing opportunities. Each  
15 consumer-owned utility and investor-owned utility must also make the  
16 information available to its customers. The department and the  
17 commission ~~((shall))~~ must request the information and, by December  
18 31, 2018, and biennially thereafter, electronically report the  
19 information to the appropriate committees of the legislature ~~((upon~~  
20 ~~request))~~.

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